

Sempra Energy Trading Corp.
58 Commerce Road
Stamford, CT 06902
Tel: 203.355.5000
Fax: 203.355.5001

BY FEDERAL EXPRESS

April 1, 2005

The Department of Energy
Office of Coal and Power Im/Ex
Office of Coal and Power Systems (FE-27)
Office of Fossil Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Sempra Energy Trading Corp.;
Application for Authorization to Transmit Electric Energy to Mexico

Dear Sir or Madam:

Enclosed please find an original and sixteen copies of the above-referenced application, as well as our check in the amount of \$500, payable to the Treasurer of the United States. A copy is also being forwarded to the Federal Energy Regulatory Commission.

Please indicate receipt of this application by date stamping one of the copies and returning it to my attention in the enclosed postage pre-paid envelope.

If you have any questions, please feel free to telephone me at 203-355-5405.

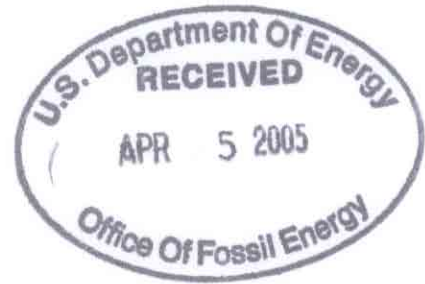
Very truly yours,
Sempra Energy Trading Corp.

A handwritten signature in blue ink that reads "Marcia Greenblatt".

Marcia Greenblatt
Vice President and Associate Counsel

Enc.

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL FUELS



In the matter of:

Sempra Energy Trading Corp.)

Docket No. EA-176-B

**APPLICATION OF SEMPRA ENERGY TRADING CORP.
FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY
TO MEXICO**

Sempra Energy Trading Corp., f/k/a AIG Trading Corporation ("SET"), pursuant to Section 202 (e) of the Federal Power Act, 16 U.S.C. 824a(e), and 10 C.F.R. § 205.300, et seq., hereby files its Application to renew its authority to transmit electric energy from the United States to Mexico, for a term of an additional five years.

In support of this application, Applicant represents as follows:

(a) **Legal name of Applicant:**

The exact legal name of the Applicant is Sempra Energy Trading Corp.

(b) **Legal name of all partners:**

SET is a wholly owned subsidiary of Sempra Energy Solutions, which, in turn, is wholly owned subsidiary of Sempra Global. Sempra Global is a wholly owned subsidiary of Sempra Energy. Sempra Energy is the ultimate parent of San Diego Gas & Electric Company and Southern California Gas Company.

(c) **Persons to whom correspondence in regard to this Application shall be addressed:**

Michael A. Goldstein, Esq.
Senior Vice President & General Counsel
Sempra Energy Trading Corp.
58 Commerce Road
Stamford, CT 06902
(203) 355-5510
FAX: (203) 355-5410

(d) **State of incorporation:**

SET is incorporated in Delaware, and is currently authorized to do business in the following states and Canadian provinces: Alabama, Arizona, British Columbia, California, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Louisiana, Maine, Manitoba, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Oklahoma, Ontario, Oregon, Pennsylvania, Saskatchewan, South Carolina, Tennessee, Texas, West Virginia.

(e) **Government agencies having jurisdiction:**

The U.S. Department of Energy (the “Department”), Office of Fossil Energy, is the sole agency having jurisdiction over the action to be taken in this Application. See Federal Power Act, Section 202(e), 16 U.S.C. §824a, Department of Energy Delegation Order No. 0204-127 (54 FR 11436-05).¹

(f) **Description of transmission facilities:**

SET has previously been authorized to transmit electric power to Mexico using two 230-kV transmission lines owned by San Diego Gas & Electric Company (“SDG&E”), which interconnect with the electrical system of Commission Federal de Electricidad (“CFE”), the Mexican electric utility. See, *Sempra Energy Trading Corp.* FE Docket No. EA-176 (March 25, 1998); *Sempra Energy Trading Corp.*, FE Docket No. EA-176-A (May 3, 2000). SET seeks authority in this Application to continue to transmit electric power to Mexico using the SDG&E facilities, as well as authority as a power marketer to transmit electric power to Mexico over additional existing cross-border facilities between the United States and Mexico. Set forth on

¹ SET has been authorized by the Federal Energy Regulatory Commission to make sales of electric power at wholesale in interstate commerce, at market-based rates. *AIG Trading Corporation, Letter Order* issued in Docket No. ER94-1691-000 (January 19, 1995), *reh'g denied* 71 FERC ¶ 61,148 (1995). However, sales to be undertaken by SET pursuant to the authorization requested herein would be in foreign commerce, rather than in interstate commerce.

Exhibit C to this Application hereto are the description of the location, Presidential Permit Numbers, and other identifying information of these facilities. SET will comply with the terms and conditions contained in the export authorizations issued for those cross-border facilities as well as other export limitations that the Department may deem appropriate for those facilities, consistent with other Department orders authorizing electricity exports by power marketers.²

(g) **Technical discussion of proposed export of energy:**

SET is engaged in the marketing of wholesale electric power as a power marketer, and seeks authority to transmit electricity as a power marketer over existing cross-border facilities described in Exhibit C. SET has no electric power supply system of its own on which its exports of power could have a reliability or stability impact. SET's only supply obligations are those for which it has contracted. The electric power that will be exported pursuant to the requested export authorization, whether on a firm or an interruptible basis, will be surplus to the system of the generator of such power. In addition, since SET does not own transmission facilities, SET does not have the native load obligations of those entities holding franchised services territories. Thus, the exports proposed herein by SET will not impair the sufficiency of power in the United States nor will the transaction impede or tend to impede in the regional coordination of electric utility planning or operation.

In its previous orders granting export authorization to electric power marketers, the Department has indicated its reluctance to follow a rigid application of the information filing requirement contained in its regulations in the context of applications by power marketers.³ The Department has taken a flexible approach in determining the information necessary to evaluate

² See, e.g., *Enron Power Marketing, Inc.*, FE Docket No. EA-102 (Feb. 6, 1996) (authorization to export to Mexico); *Destec Power Services, Inc.*, FE Docket No. EA-113 (May 31, 1996) (same); *Coral Power, L.L.C.*, FE Docket No. EA-212 (August 26, 2002) (same).

the reliability for a specific market⁴ and has held that existing technical analysis support the present authorizations to export power through designated international border transmission. SET respectfully requests that the Department continue to apply this standard during review of the instant Application and grant SET the same benefits accorded to other electric power marketers.

Additionally, SET agrees to comply with all reliability criteria, standards, and guidelines of the North American Electric Reliability Council and Regional Councils, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(h) **Verification:**

The signed Verification of Louis A. Santore, Director – Trading Operations of SET, is attached to this Application.

(i) **Procedure:**

This Application is consistent with the North America Free Trade Agreement (1993) and United States energy policy which would foster a more efficient and competitive North American energy market.

SET requests authority for export transactions through specified border facilities even though specific transactions have not yet been negotiated. The Department has, however, granted export authority to similarly situated power marketers, and SET agrees to abide by the general conditions set forth in the Department's previous orders authorizing power marketers to export power. *See, e.g., Coral Power, L.L.C.*, FE Docket No. EA 212 (August 26, 2002).

³ *See, e.g., Enron Power Marketing, Inc.*, FE Docket No. EA-102 at p. 5 ("DOE never has applied the information filing requirements contained in its regulations in a rigid manner."); *Destec Power Services, Inc.*, at p.3 (same).

⁴ *See, e.g., CoralPower, L.L.C.*, at p.2 ("DOE has always used a flexible approach in determining the information necessary to evaluate reliability impacts for specific export proposals.").

In accordance with 10 C.F. R. § 205.303, the following exhibits are attached hereto and made part hereof:

- | | |
|-----------|--|
| Exhibit A | Not applicable |
| Exhibit B | Legal Opinion of Sempra Energy Trading Corp.'s Associate Counsel |
| Exhibit C | Transmission Facilities (Submitted in lieu of Maps) |
| Exhibit D | Not Applicable |
| Exhibit E | SET is a wholly owned subsidiary of Sempra Energy Solutions, which, in turn, is wholly owned subsidiary of Sempra Global. Sempra Global is a wholly owned subsidiary of Sempra Energy. Sempra Energy is the ultimate parent of San Diego Gas & Electric Company and Southern California Gas Company. |
| Exhibit F | Not Applicable |

Pursuant to the requirement of 10 C.F.R. § 205.309, a copy of this Application is being provided to:

Federal Energy Regulatory Commission
Office of the Secretary
888 First Street, N.E.
Washington, DC 20426

Wherefore, in consideration of the foregoing, Sempra Energy Trading Corp. respectfully requests expeditious approval of this Application for Authorization to Transmit Electric Energy to Mexico.

SEMPRA ENERGY TRADING CORP.

By: 

Louis A. Santore
Director – Trading Operations
58 Commerce Road
Stamford, CT 06902
Tel: 203-355-5601
Fax: 203-355-5630

Dated: April 1, 2005

VERIFICATION

STATE OF CONNECTICUT)
) ss:
COUNTY OF FAIRFIELD)

Louis A. Santore, being duly sworn, states that he is the Director – Trading Operations of Sempra Energy Trading Corp.; that he is authorized to execute this Verification; that he has read the above and foregoing document and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge and belief.


Louis A. Santore

Sworn to me this 15 day
of April, 2005.

Marjorie D. White
Notary Public

Marilyn D. Waite
NOTARY PUBLIC
State of Connecticut
My Commission Expires 7/31/07

Exhibit B

Legal Opinion of Sempra Energy Trading Corp.'s Associate Counsel

Legal Opinion

The following is given in support of the Application of Sempra Energy Trading Corp. ("SET") for Authorization to Transmit Electric Energy to Mexico, dated April 1, 2005.

- (1) I am an attorney at law, authorized to practice law in the State of New York.
- (2) I am employed as a Vice President and Associate Counsel at SET.
- (3) SET is incorporated in Delaware, and is currently authorized to do business in the following states and Canadian provinces: Alabama, Arizona, British Columbia, California, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Louisiana, Maine, Manitoba, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Oklahoma, Ontario, Oregon, Pennsylvania, Saskatchewan, South Carolina, Tennessee, Texas, West Virginia.
- (4) SET has full corporate power and authority to buy, sell or act as a marketer in the sale and exportation of electric energy as requested in the Application.
- (5) SET will comply with all pertinent Federal and state laws.



Marcia Greenblatt
Associate Counsel

Exhibit C

Transmission Facilities (Submitted in lieu of Maps)

Transmission Facilities (Submitted in lieu of Maps)

<u>Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit</u>
San Diego	Miguel, CA	230 kV	PP-68
Gas & Electric	Imperial Valley, CA	230 kV	PP-79
El Paso Electric	Diablo, NM	115 kV	PP-92
Company	Ascarte, TX	115 kV	PP-48
Central Power & Light Company	Brownsville, TX	138 kV	PP-94
Comision Federal de	Eagle Pass, TX	138 kV	PP-50
Electricidad	Lared, TX	138 kV	PP-57
	Falcom Dam, TX	138 kV	None